

ORIGINAL

NEW APPLICATION  
**JOHNSON UTILITIES, L.L.C.**

5230 East Shea Boulevard, Suite 200 \* Scottsdale, Ar  
PH: (480) 998-3300; FAX: (480) 483-790



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2013 AUG 29 A 9:44

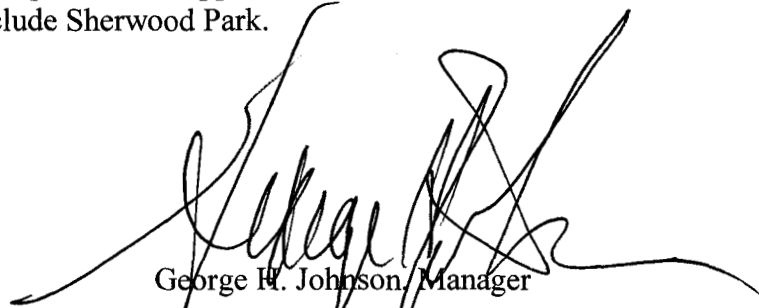
AZ CORP COMMISSION  
DOCKET CONTROL

28 August 2013

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix AZ

WS-02987A-13-0284

Attached is an application by Johnson Utilities, L.L.C. for a water and sewer CC&N Expansion. The purpose of this application is to create the Johnson Utilities, L.L.C. service area to include Sherwood Park.



George H. Johnson, Manager  
JOHNSON UTILITIES, L.L.C.

Arizona Corporation Commission  
**DOCKETED**

AUG 29 2013

DOCKETED BY	nr
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# ARIZONA CORPORATION COMMISSION

## APPLICATION FOR AN EXTENSION CERTIFICATE OF CONVENIENCE AND NECESSITY WATER AND SEWER

- A. The legal name, mailing address and telephone number of the Applicant (Company) is:

**JOHNSON UTILITIES, LLC**  
**5230 E SHEA BLVD, SUITE 200**  
**SCOTTSDALE AZ 85254**  
**(480) 998-3300**

- B. If the applicant operates under a "d.b.a." or under a name other than the Applicant (Company) name listed above, specify:

**N/A**

- C. List the full name, mailing address and telephone number of the management contact:

**GEORGE H. JOHNSON**  
**(See "A")**

- D. List the full name, mailing address and telephone number of the attorney for the Applicant:

**JEFFREY W CROCKETT**  
**BROWNSTEIN HYAT FARBER SCHREK**  
**1 E WASHINGTON, SUITE 2400**  
**PHOENIX AZ 85004**  
**(602) 382-4062**

- E. List the full name, mailing address and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the Applicant:

**GREGORY BROWN**  
**(See "A")**

F. List the full name, mailing address and telephone number of the on-site manager of the utility:

**KENNY WATKINS, GENERAL MANAGER**  
(See "A")

G. The Applicant is a:

<input type="checkbox"/> Corporation: <input type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input checked="" type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation:

1. List full names, titles and mailing addresses of all Officers and Directors:

**Officers**

N/A

**Directors**

N/A

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission. N/A
3. Attach a certified copy of the Articles of Incorporation. N/A
4. Attach a certified copy of the corporation's By-Laws. N/A
5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:  
N/A

6. If stock has been issued, indicate the number of shares issued and date of issue: *N/A*

I. If the Applicant is a partnership:

1. List the full name and mailing address of the general partners: *N/A*

2. List the full name, address and telephone number of the managing partners: *N/A*

3. Attach a copy of the Partnership's Articles of Partnership. *N/A*

• If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State. *N/A*

J. If the Applicant is a Limited Liability Company:

1. List the full name and mailing address of all the Applicant's managers or, if management is reserved to the members, the Applicant's members:

**GEORGE H JOHNSON**  
(See "A")

2. Attach a copy of the Articles of Organization.

(See Attachment #1)

K. List the legal name and mailing address of each other utility in which the applicant has an ownership interest: *N/A*

L. Provide a compliance status report from the Arizona Department of Environmental Quality ("ADEQ"), dated no more than 30 days of the CC&N extension application, for each water and wastewater systems as identified by a separate ADEQ Public Water & Wastewater System Identification number.

***ADEQ requires the Arizona Corporation Commission to request the compliance status reports directly from them.***

Attach a legal description of the requested service area, expressed in terms of **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and dockets will not be accepted.

(See Attachment #2)



Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

*(See Attachment #2)*

- M. List the name of each county in which the requested extension area is located and a description of the area's location in relation to the closest municipality, which shall be named:

*The entire extension is within Pinal County.*

*Sherwood Park is approximately 4.8 miles from the Town of Queen Creek and approximately 1.2 miles from the Town of Florence.*

- N. Attach a complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under R14-2-402 subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.

*(See Attachment #3)*

- O. Provide the estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof.

*(See Attachment #4)*

- P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

*The construction of the additional utility facilities needed to serve the area covered by this Application will be financed primarily by advances in aid of construction and hook-up fees in accordance with Commission regulations and Johnson Utilities applicable tariffs, as well as pursuant to the terms of any main extension agreements between Johnson Utilities, and property owners. A copy of all fully executed main extension agreements for water facilities between parties shall be filed with the Commission in support of this Application when completed.*

Attach financial information in a format similar to Attachment "C". Include current assets and liabilities, an income statement, estimated revenue and expenses and the estimated value of the applicant's utility plant in service for the first five years following approval of the application.

*(See Attachment #5)*

*Estimated value of plant in service after 5 years:*

*Water = \$1,381,260.00*

*Sewer = \$974,918.00*

- Q. Provide a detailed description of the proposed construction timeline for facilities with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction.

*(See Attachment #6)*

- R. Provide a copy of any requests for service from persons who own land within the proposed extension area, which shall identify the applicant by name.

*(See Attachment #7)*

- S. Provide maps of the proposed extension area identifying:

1. The boundaries of the area, with the total acreage noted; *(See Attachment #8)*
2. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted; *(See Attachment #8)*
3. The owner of each parcel within the area; *(See Attachment #8)*
4. Any municipality corporate limits that overlap with or are within five miles of the area; *(See Attachment #9)*
5. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided; *(See Attachment #2)*
6. The location within the area of any known water service connections that are already being provided service by the applicant; *None*
7. The location of all proposed developments within the area; *(See Attachment #8)*
8. The proposed location of each water system and the principal components described in R14-2-402 subsection (B) (5) (n); *(Sherwood Park will be part of the 11-128 water system. The proposed locations of all water lines are described and shown in the Preliminary Water Design Report of Attachment #3)*
9. The location of all parcels for which a copy of a request for service has been submitted. *(See Attachment #2)*

- T. Provide a copy of each notice to be sent, as required, to a municipal manager or administrator.

*N/A This parcel is not within municipal boundaries.*

- U. A copy of each notice sent, as required, to a landowner not requesting service. *N/A*

- V. For each landowner not requesting service, provide either the written response received from the landowner or, if no written response was received, a description of the actions by the applicant to obtain a written response. *N/A*

- W. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

*(See Attachment #10)*

Attach the following permits (if any of these permits have not yet been obtained, please provide the status of their application):

1. The franchise from either the City or County for the area requested.

*(See Attachment #11)*

2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.

*Johnson Utilities requests that the filing of the approval to construct be submitted as a compliance item in this docket within two years of the approval of the CC&N.*

3. (SEWER ONLY) Copy of the Aquifer Protection Permit issued by ADEQ.

*Sherwood Park will be served by Section 11 WWTP. The Plant's APP is already on file with the Commission.*

4. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) *N/A*

5. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) *N/A*

6. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

- a. If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.
- b. If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.

*(See Attachment #12)*

7. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

*(See Attachment #13)*

X. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation. Include documentation to support the estimates.

*(See Attachment #14)*

**Residential:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Commercial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Industrial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

6AA. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

*(See Attachment #14)*

**Residential:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Commercial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Industrial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

BB. Indicate the total estimated annual operating revenue for each of the first five years of operation:

*(See Attachment #15)*

**Residential:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Industrial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Commercial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

CC. Indicate the total estimated annual operating expenses for each of the first five years of operation:

*(See Attachment #15)*

**Residential:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Industrial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Commercial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_

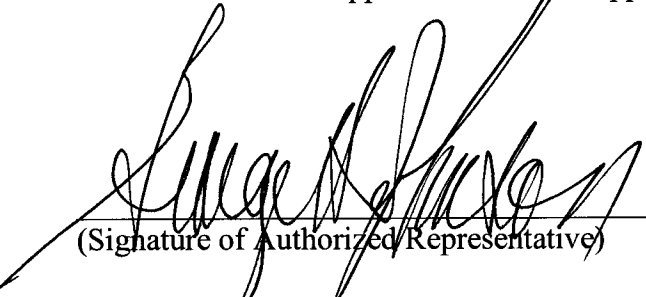
**Irrigation:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

- DD. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3). *(See Attachment #5)*
- EE. Indicate the total estimated cost to construct utility facilities: **\$2,709,605.00**
- FF. Provide a description of how water and/or wastewater service is to be provided in the proposed extension area and the name of each water and wastewater service provider for the area, if any. *N/A (No other providers)*
- GG. Provide a letter from each wastewater service provider identified under subsection (B)(5)(aa), confirming the provision of wastewater service for the proposed service area or extension area. *N/A*
- HH. Provide plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:
- i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers; *We will use water conservation consistent with our BMP's and ADWR's water conservation measures.*
  - ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation; *N/A*
  - iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features; *We have worked with developers and at present, there are no plans for golf courses, greenbelts, ornamental lakes or other aesthetic water features.*
  - iv. A description of any plans for the use of reclaimed water; *NONE*
  - v. A description of any plans for the use of recharge facilities; *NONE*
  - vi. A description of any plans for the use of surface water; *NONE*
  - vii. A description of any other plans or programs to promote water conservation; *NONE*
- II. Provide a backflow prevention tariff that complies with Commission standards, if not already on file. *Already on file*
- JJ. Provide a curtailment tariff that complies with Commission standards, if not already on file. *Already on file*
- KK. Provide a copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water

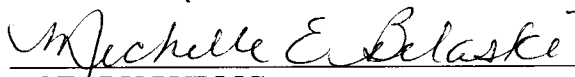
Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval; (*See Attachment #12*)

  
(Signature of Authorized Representative)

George H. Johnson  
(Type or Print Name Here)

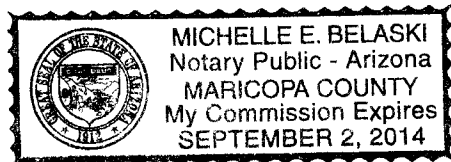
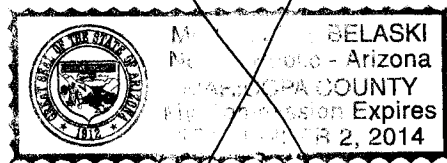
Manager  
(Title)

SUBSCRIBED AND SWORN to before me this 23rd day of August, 2013

  
NOTARY PUBLIC

My Commission Expires

9-2-14



# Attachment 1



ARTICLES OF ORGANIZATION

OF

JOHNSON UTILITIES, L.L.C.

RECEIVED

JUN 5 1997

ARIZONA CORP COMMISSION  
CORPORATIONS DIVISION

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, for the purpose of forming a limited liability company under and pursuant to the laws of the State of Arizona, does hereby adopt these Articles of Organization:

ARTICLE I.

The name of this limited liability company is Johnson Utilities, L.L.C.

ARTICLE II.

The purpose for which this limited liability company is organized is the transaction of any and all lawful business for which a limited liability company may be organized under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE III.

The address of the registered office of this limited liability company is 5320 East Shea Boulevard, Scottsdale, Arizona 85254.

ARTICLE IV.

The name and business address of the agent for service of process of this limited liability company is Richard L. Sallquist, Esq., 2525 E. Arizona Biltmore Circle, Suite 117, Phoenix, Arizona 85016.

ARTICLE V.

There are or will be two (2) or more members at the time this limited liability company is formed.

ARTICLE VI.

The management of this limited liability company is reserved to its members, whose names and business addresses are:

George H. Johnson  
5320 Est Shea Blvd.  
Scottsdale, Arizona 85254

Jana S. Johnson  
5320 East Shea Blvd.  
Scottsdale, Arizona 85018

ARTICLE VII.

A member, manager, employee, officer or agent of this limited liability company is not liable, solely by reason of being a member, manager, employee, officer or agent, for the debts, obligations and liabilities of this limited liability company whether arising in contract or tort, under a judgment, decree or order of a court or otherwise. If Arizona law is subsequently amended to authorize further elimination or limitation of liability of members, managers, employees, officers or agents of limited liability companies, then the liability of a member, manager, employee, officer or agent of this limited liability company, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by Arizona law.

ARTICLE VIII.

This limited liability company shall indemnify, to the fullest extent allowed by applicable law, any member, manager, employee, officer or agent of this limited liability company.

ARTICLE IX.

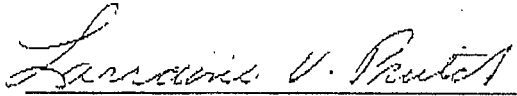
The latest date this limited liability company can dissolve is May 31, 2022.

IN WITNESS WHEREOF, the undersigned has set his hand this 29<sup>th</sup> day of May, 1997.

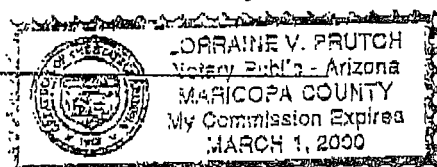
  
George H. Johnson

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa         )

The foregoing instrument was acknowledged before me this 29 day of May, 1997, by George H. Johnson.

  
Notary Public

My Commission Expires:



DEC 30 1997

AMENDED AND RESTATED  
ARTICLES OF ORGANIZATION OF  
JOHNSON UTILITIES, L.L.C.

DATE APPR 12-30-97

TERM

BY

MABumla  
1-0809733-4

Pursuant to the provisions of Ariz. Rev. Stat. Ann. § 29-633, the undersigned limited liability company hereby amends and restates its Articles of Organization, which were filed on June 5, 1997.

ARTICLE I  
Name

The name of the Company is Johnson Utilities, L.L.C.

ARTICLE II  
Registered Office

The address of the registered office of this limited liability company is 5320 East Shea Boulevard, Scottsdale, Arizona 85254.

ARTICLE III  
Registered Agent

The name and business address of the agent for service of process of this limited liability company is Delator Corporation, 7201 East Camelback Road, Suite 330, Scottsdale, Arizona 85251.

ARTICLE IV  
Management

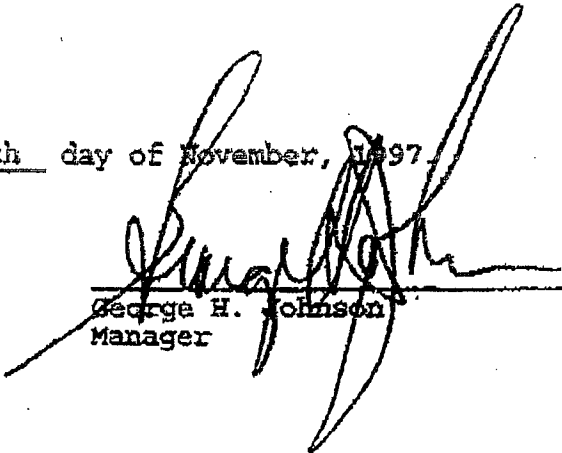
Management of this limited liability company is vested in a manager or managers. The name and address of the initial manager is George H. Johnson, 5320 East Shea Boulevard, Scottsdale, Arizona 85254.

ARTICLE V  
Membership

The Member owning a one hundred percent (100%) interest in the Company is:

The George H. Johnson Revocable Trust  
dated July 9, 1987  
George H. Johnson and Jana S. Johnson, Trustees  
5320 East Shea Boulevard  
Scottsdale, Arizona 85254.

DATED this 12th day of November, 1997.



George H. Johnson  
Manager



# Attachment 2

**LEGAL DESCRIPTION  
SHERWOOD PARK  
BOUNDARY**

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING NORTH AND EAST OF THE CENTERLINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY, IN SECTION 22, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

**BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 22;**

**THENCE SOUTH 89 DEGREES 46 MINUTES 45 SECONDS WEST 1342.83 FEET TO THE TRUE POINT OF BEGINNING;**

**THENCE SOUTH 02 DEGREES 07 MINUTES 37 SECONDS EAST 1324.83 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22;**

**THENCE SOUTH 89 DEGREES 45 MINUTES 37 SECONDS WEST, APPROXIMATELY 1270 FEET TO THE CENTERLINE OF SAID RAILROAD;**

**THENCE NORTH 38 DEGREES 52 MINUTES WEST ON SAID CENTERLINE OF RAILROAD APPROXIMATELY 2370 FEET;**

**THENCE NORTH 02 DEGREES 14 MINUTES 53 SECONDS WEST, APPROXIMATELY 790 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22;**

**THENCE NORTH 89 DEGREES 47 MINUTES 52 SECONDS EAST 2687.68 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22;**

**THENCE SOUTH 02 DEGREES 07 MINUTES 37 SECONDS EAST 1324.83 FEET TO THE POINT OF BEGINNING.**

**EXCEPT ANY PORTION LYING WITHIN THE SOUTHERN PACIFIC RAILROAD RIGHT WAY; AND EXCEPT 1/16TH OF ALL OIL, GASES, AND OTHER HYDROCARBON SUBSTANCES, COAL, STONE, METALS, MINERALS, FOSSILS AND FERTILIZERS OF EVERY NAME AND DESCRIPTION AND EXCEPT ALL MATERIALS WHICH MAY BE ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL AS RESERVED IN ARIZONA REVISED STATUTES.**



# Attachment 3



PRELIMINARY WATER DESIGN REPORT  
FOR

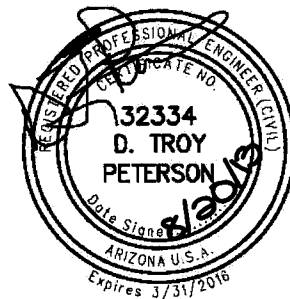
***SHERWOOD PARK***

SOUTH OF BELLA VISTA ROAD, WEST OF SIERRA VISTA  
DRIVE

PINAL COUNTY, ARIZONA

Prepared for:  
**Lifestyle Homes Investments, LLC**  
9383 E. Bahia Dr. Suite 130  
Scottsdale, AZ 85260

Prepared by:  
**BOWMAN CONSULTING GROUP, LTD.**  
3010 South Priest Drive, Suite 103  
Tempe, Arizona 85282  
480-629-8830



August 7, 2013  
BOWMAN Project No. 9763



## GENERAL DESCRIPTION

Lifestyle Homes is developing a proposed 444-lot single-family residential subdivision located south of Bella Vista Road and east of Sierra Vista Drive in Pinal County, Arizona. A legal description of the property is provided as Exhibit A. The project site is located within Section 22, Township 3 South, Range 8 East, Gila and Salt River Base and Meridian, Pinal County, Arizona (See Exhibit B, Vicinity Map). Water will be provided by Johnson Utilities and the site infrastructure will be designed in accordance with their design standards. The project is planned to be developed in one single phase with an anticipated start date of spring 2014, first residential move-ins in fall 2015 and a 3 year building period.

## WATER DEMAND DESIGN FLOW

### Average Daily Demand:

Average Demand: 260 gpd/unit

### Residential Subdivision:

260 gal/day per unit x 444 units = 115,440 GPD

### Maximum Daily Demand:

$1.5 \times 101,520 \text{ GPD} = \underline{173,160 \text{ GPD}}$

### Peak Hour Demand:

$3.0 \times 115,440 \text{ GPD} = \underline{346,320 \text{ GPD}}$

## WATER DISTRIBUTION SYSTEM

A new water campus has recently been constructed by Johnson Utilities at Sierra Vista Drive and the Judd Road alignment. This existing campus consists of a water storage tank and well site and other associated equipment. Johnson Utilities has designed and will maintain this system in order to provide minimum pressures throughout the area. It is not anticipated that any additional water storage facilities or booster pumps will be required with the development of this subdivision; however a location for a future well site has been provided within this subdivision.

The proposed water system infrastructure will loop a 12" water main line from the existing 12" waterline in Sierra Vista Drive up to the existing 8" water main line in Bella Vista Road – See Exhibit C, Water Infrastructure Exhibit. Easements will be obtained from the Arizona State Land Department as needed for the proposed waterline construction. The water system will loop through the proposed local street system with 8" waterlines and will include fire hydrants, residential water meters, and meters for landscaping purposes. The system will be designed to provide minimum pressures of 40psi for the Peak Hour Demand and 20psi for the Max Day Demand plus fire flow. In addition to the previous stated requirements, the system will be designed to meet any applicable standards set forth by ADEQ and Johnson Utilities. Computer modeling will be utilized to verify that the proposed system will meet these requirements.

AUGUST 20, 2013  
PROJECT # 9763-01-001

**EXHIBIT A  
LEGAL DESCRIPTION FOR  
SHERWOOD PARK**

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING NORTH AND EAST OF THE CENTERLINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY, IN SECTION 22, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

**BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 22;**

**THENCE SOUTH 89 DEGREES 46 MINUTES 45 SECONDS WEST 1342.83 FEET TO THE TRUE POINT OF BEGINNING;**

**THENCE SOUTH 02 DEGREES 07 MINUTES 37 SECONDS EAST 1324.83 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22;**

**THENCE SOUTH 89 DEGREES 45 MINUTES 37 SECONDS WEST, APPROXIMATELY 1270 FEET TO THE CENTERLINE OF SAID RAILROAD;**

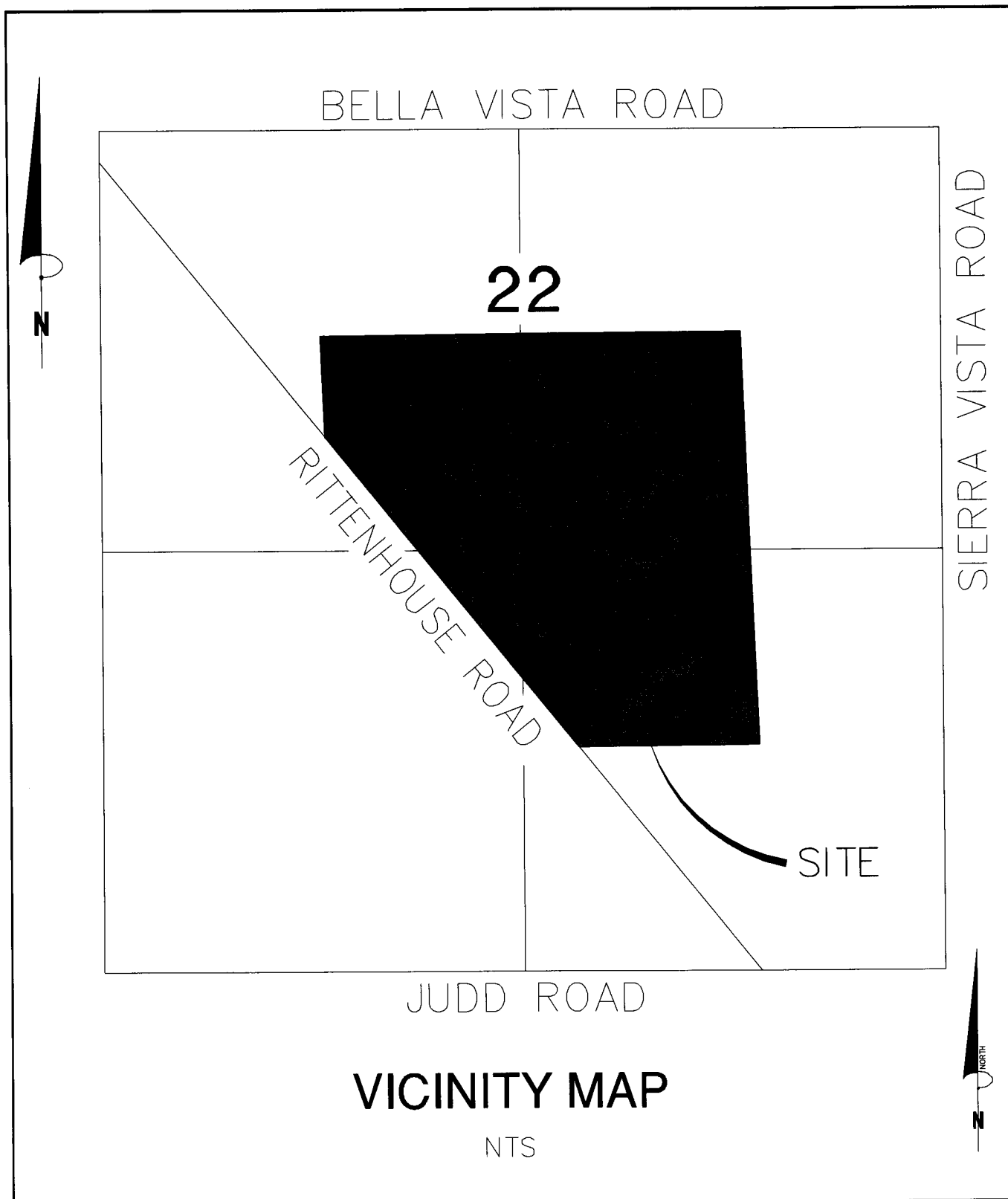
**THENCE NORTH 38 DEGREES 52 MINUTES WEST ON SAID CENTERLINE OF RAILROAD APPROXIMATELY 2370 FEET;**

**THENCE NORTH 02 DEGREES 14 MINUTES 53 SECONDS WEST, APPROXIMATELY 790 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22;**

**THENCE NORTH 89 DEGREES 47 MINUTES 52 SECONDS EAST 2687.68 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22;**

**THENCE SOUTH 02 DEGREES 07 MINUTES 37 SECONDS EAST 1324.83 FEET TO THE POINT OF BEGINNING.**

**EXCEPT ANY PORTION LYING WITHIN THE SOUTHERN PACIFIC RAILROAD RIGHT WAY; AND  
EXCEPT 1/16TH OF ALL OIL, GASES, AND OTHER HYDROCARBON SUBSTANCES, COAL, STONE, METALS,  
MINERALS, FOSSILS AND FERTILIZERS OF EVERY NAME AND DESCRIPTION AND EXCEPT ALL MATERIALS  
WHICH MAY BE ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL AS RESERVED IN ARIZONA  
REVISED STATUTES.**



## VICINITY MAP

NTS

**Bowman**  
CONSULTING

3010 South Priest Drive Ste 103  
Tempe, Arizona 85282

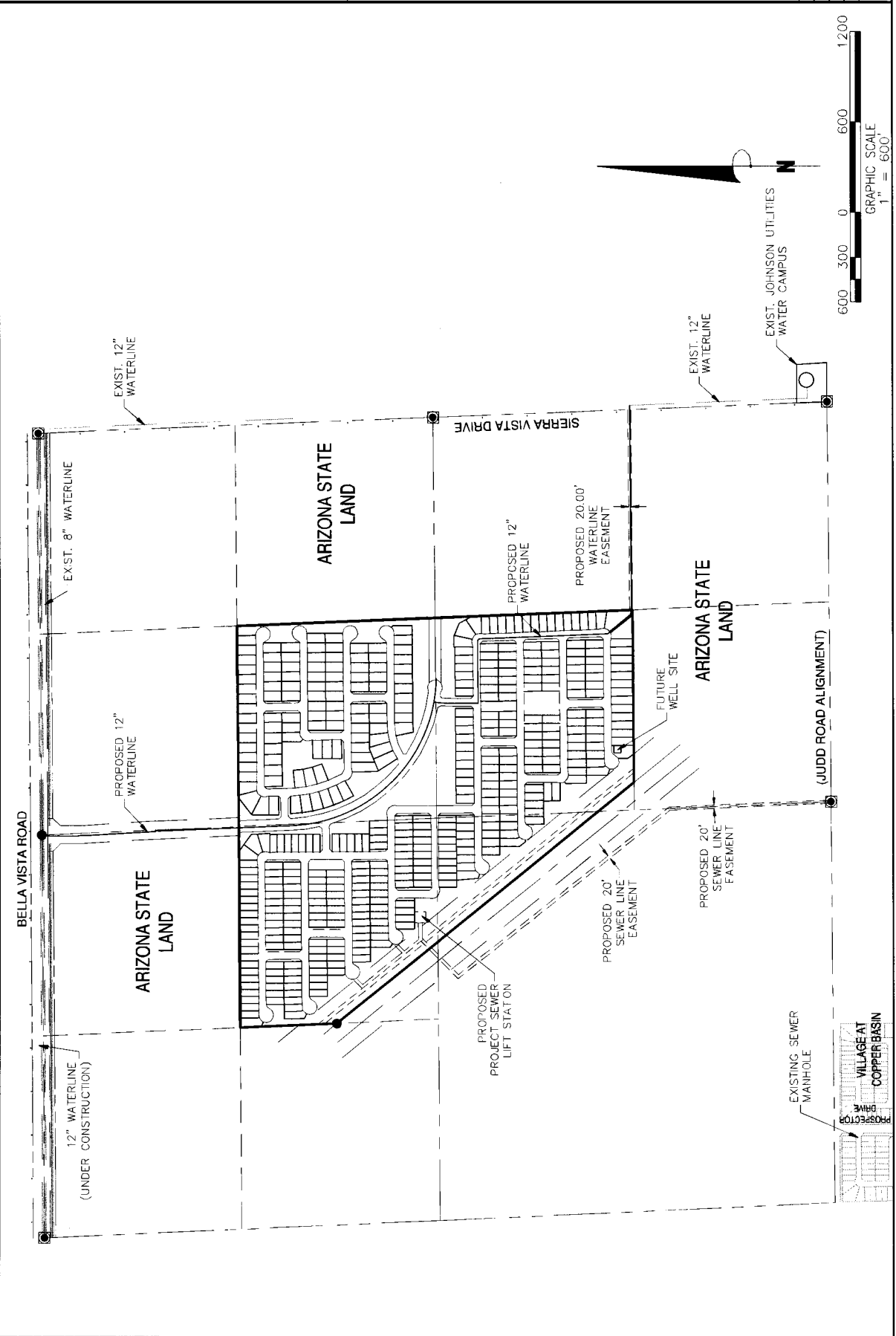
Phone: (480) 629-8830  
www.bowmanconsulting.com

**Sherwood Park**

San Tan Valley, Arizona

**Exhibit 'B' - Vicinity Map**

JOB #	9763
DATE	April, 2013
SCALE	N.T.S.
DRAWN	jas
SHT	1 OF 1





**PRELIMINARY WASTEWATER DESIGN REPORT  
FOR**

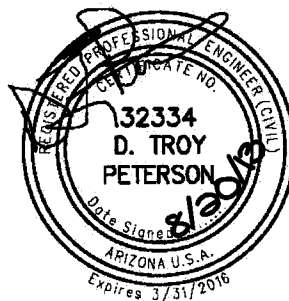
***SHERWOOD PARK***

**SOUTH OF BELLA VISTA ROAD, WEST OF SIERRA VISTA  
DRIVE**

**PINAL COUNTY, ARIZONA**

Prepared for:  
**Lifestyle Homes Investments, LLC**  
9383 E. Bahia Dr. Suite 130  
Scottsdale, AZ 85260

Prepared by:  
**BOWMAN CONSULTING GROUP, LTD.**  
3010 South Priest Drive, Suite 103  
Tempe, Arizona 85282  
480-629-8830



August 7, 2013  
BOWMAN Project No. 9763

## GENERAL DESCRIPTION

Lifestyle Homes is developing a proposed 444-lot single-family residential subdivision located south of Bella Vista Road and east of Sierra Vista Drive in Pinal County, Arizona. A legal description of the property is provided as Exhibit A. The project site is located within Section 22, Township 3 South, Range 8 East, Gila and Salt River Base and Meridian, Pinal County, Arizona (See Exhibit B, Vicinity Map). Wastewater collection and treatment will be provided by Johnson Utilities and the site infrastructure will be designed in accordance with their design standards. The project is planned to be developed in one single phase with an anticipated start date of spring 2014, first residential move-ins in fall 2015 and a 3 year building period.

The property currently slopes to the northwest at slopes less than 0.3%. The current land use is agricultural purposes.

## WASTEWATER DEMAND DESIGN FLOW

### Average Daily Demand:

Average Demand: 208 gpd/unit

### Residential Subdivision:

208 gal/day per unit x 444 units = 92,352 GPD

### Peak Demand:

3.0 x 92,352 GPD = 277,056 GPD or 0.429 cfs

## WASTEWATER COLLECTION SYSTEM

Wastewater generated within the Sherwood Park project will be collected via a network of 8" sewer lines and gravity flow, following the slope of the land, to the project sewer lift station near the northwestern portion of the project – See Exhibit C – Wastewater Infrastructure Exhibit. From that point, wastewater will be routed (either by gravity or via a lift station) to the south across Arizona State Land property and discharge to an existing manhole within the Village at Copper Basin project. The discharge manhole is located on Prospector Drive, just south of Judd Road. From that point, the wastewater will be routed through existing infrastructure to the Johnson Utilities Section 11 Wastewater Treatment Plant. Easements will be obtained from the Arizona State Land Department as needed for the proposed sewer line construction. The minimum slope that will be used is 0.34%. An 8 inch PVC sewer line with this minimum slope will have the capacity to convey 0.71cfs at a velocity of 2.02ft/s. The Peak Demand will flow at a depth of approximately 4.54" (d/D = 0.60) and a velocity of 2.10ft/s. It is anticipated that 5 foot manholes will be used at a maximum spacing of 400 feet. The proposed lift station will have a twin pump system, automatic controls and a properly sized well. The system will be designed in accordance with Johnson Utilities and ADEQ requirements.

AUGUST 20, 2013  
PROJECT # 9763-01-001

**EXHIBIT A  
LEGAL DESCRIPTION FOR  
SHERWOOD PARK**

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING NORTH AND EAST OF THE CENTERLINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY, IN SECTION 22, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE EAST QUARTER CORNER OF SAID SECTION 22;

**THENCE** SOUTH 89 DEGREES 46 MINUTES 45 SECONDS WEST 1342.83 FEET TO THE TRUE **POINT OF BEGINNING**;

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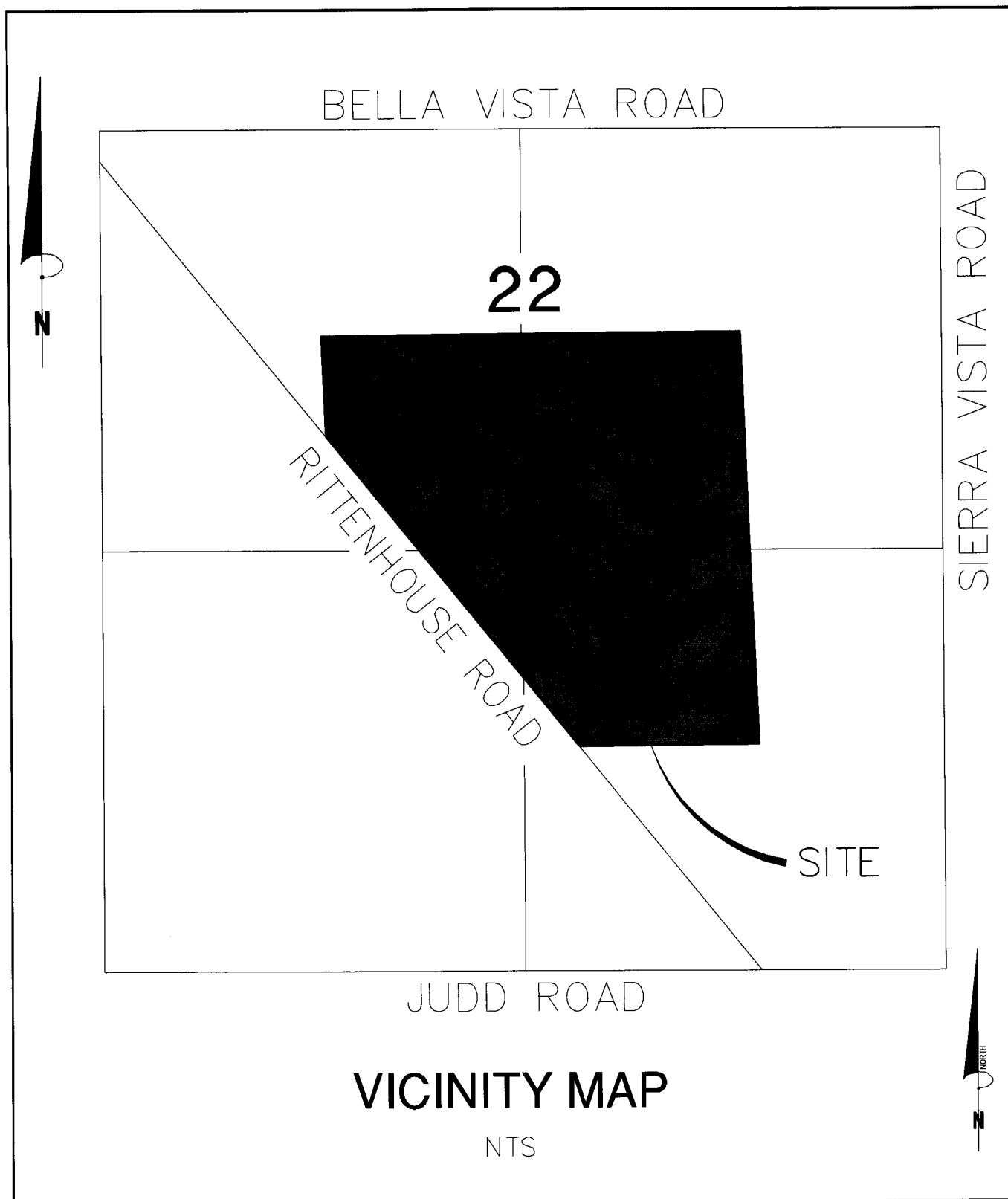
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**EXCEPT** ANY PORTION LYING WITHIN THE SOUTHERN PACIFIC RAILROAD RIGHT WAY; AND **EXCEPT** 1/16TH OF ALL OIL, GASES, AND OTHER HYDROCARBON SUBSTANCES, COAL, STONE, METALS, MINERALS, FOSSILS AND FERTILIZERS OF EVERY NAME AND DESCRIPTION AND EXCEPT ALL MATERIALS WHICH MAY BE ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL AS RESERVED IN ARIZONA REVISED STATUTES.



**Bowman**  
CONSULTING

3010 South Priest Drive Ste 103  
Tempe, Arizona 85282

Phone: (480) 629-8830  
www.bowmanconsulting.com

**Sherwood Park**

San Tan Valley, Arizona

**Exhibit 'B' - Vicinity Map**

JOB #	9763
DATE	April, 2013
SCALE	N.T.S.
DRAWN	jas
SHT	1 OF 1







# Attachment 4



PRELIMINARY WASTEWATER DESIGN REPORT  
FOR

***SHERWOOD PARK***

SOUTH OF BELLA VISTA ROAD, WEST OF SIERRA VISTA  
DRIVE

PINAL COUNTY, ARIZONA

Prepared for:  
**Lifestyle Homes Investments, LLC**  
9383 E. Bahia Dr. Suite 130  
Scottsdale, AZ 85260

Prepared by:  
**BOWMAN CONSULTING GROUP, LTD.**  
3010 South Priest Drive, Suite 103  
Tempe, Arizona 85282  
480-629-8830



August 7, 2013  
BOWMAN Project No. 9763

## GENERAL DESCRIPTION

Lifestyle Homes is developing a proposed 444-lot single-family residential subdivision located south of Bella Vista Road and east of Sierra Vista Drive in Pinal County, Arizona. A legal description of the property is provided as Exhibit A. The project site is located within Section 22, Township 3 South, Range 8 East, Gila and Salt River Base and Meridian, Pinal County, Arizona (See Exhibit B, Vicinity Map). Wastewater collection and treatment will be provided by Johnson Utilities and the site infrastructure will be designed in accordance with their design standards. The project is planned to be developed in one single phase with an anticipated start date of spring 2014, first residential move-ins in fall 2015 and a 3 year building period.

The property currently slopes to the northwest at slopes less than 0.3%. The current land use is agricultural purposes.

## WASTEWATER DEMAND DESIGN FLOW

### Average Daily Demand:

Average Demand: 208 gpd/unit

### Residential Subdivision:

208 gal/day per unit x 444 units = 92,352 GPD

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AUGUST 20, 2013  
PROJECT # 9763-01-001

**EXHIBIT A  
LEGAL DESCRIPTION FOR  
SHERWOOD PARK**

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING NORTH AND EAST OF THE CENTERLINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY, IN SECTION 22, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

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BELLA VISTA ROAD

22

RITTENHOUSE ROAD

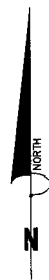
SIERRA VISTA ROAD

SITE

JUDD ROAD

## VICINITY MAP

NTS



**Bowman**  
CONSULTING

3010 South Priest Drive Ste 103  
Tempe, Arizona 85282

Phone: (480) 629-8830  
www.bowmanconsulting.com

**Sherwood Park**

San Tan Valley, Arizona

**Exhibit 'B' - Vicinity Map**

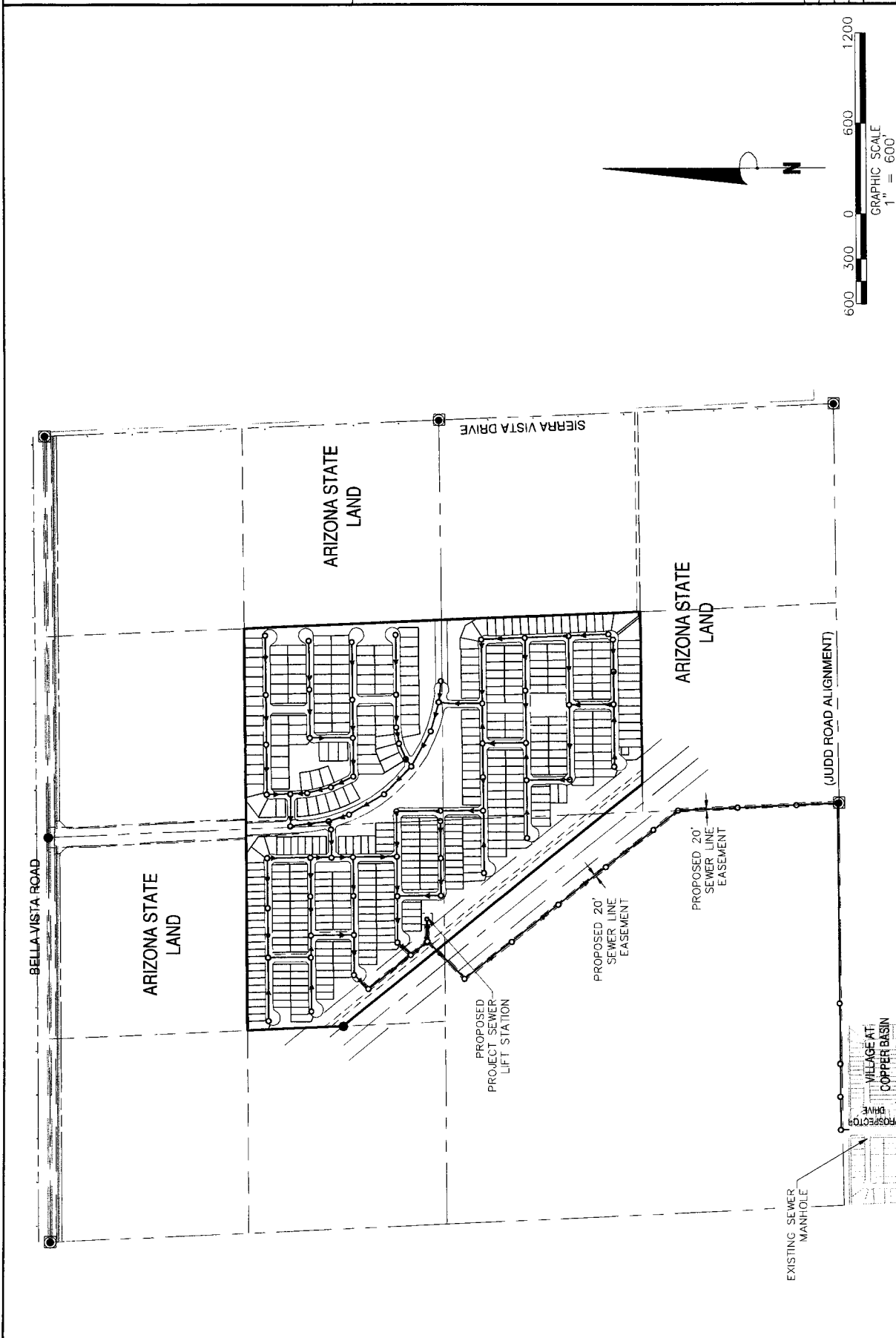
JOB # 9763

DATE April, 2013

SCALE N.T.S.

DRAWN jas

SHT 1 OF 1





Sherwood Park  
Bella Vista Rd and Sierra Vista Rd  
Pinal County, AZ

**Preliminary Cost Estimate of Project Water System**  
**Prepared: 8/20/13**

ITEM	QUANTITY	UNIT PRICE		COST
<b>Water Distribution System</b>				
8" PVC Waterline	17,043	\$	20.00 LF	\$ 340,860.00
12" PVC Waterline	7,270	\$	25.00 LF	\$ 181,750.00
8" Gate Valve, complete	93	\$	1,100.00 EA	\$ 102,300.00
12" Gate Valve, complete	16	\$	1,800.00 EA	\$ 28,800.00
Fire Hydrant, complete	43	\$	2,900.00 EA	\$ 124,700.00
Residential Service Line and Meter Box	444	\$	525.00 EA	\$ 233,100.00
Connection to Existing Lines	2	\$	5,500.00 EA	\$ 11,000.00
Landscape Service Line and Meter	5	\$	1,750.00 EA	\$ 8,750.00
<b>Well Site</b>				
				\$ -
Well Site, complete	1	\$	350,000.00 EA	\$ 350,000.00
<b>SUBTOTAL</b>				<b>\$ 1,381,260.00</b>
<b>Design / Permit Fees / Testing / CM</b>	15% of	\$	1,381,260.00 LS	<b>\$ 207,189.00</b>
<b>TOTAL COST ESTIMATE</b>				<b>\$ 1,588,449.00</b>





Sherwood Park  
Bella Vista Rd and Sierra Vista Rd  
Pinal County, AZ

Preliminary Cost Estimate of Project Wastewater System

Prepared: 8/20/13

ITEM	QUANTITY	UNIT PRICE		COST
<b>Wastewater Collection System</b>				
8" PVC Sewerline	23,591	\$ 18.00	LF	\$ 424,638.00
Manhole, complete	86	\$ 2,800.00	EA	\$ 240,800.00
Residential Service Line	444	\$ 225.00	EA	\$ 99,900.00
<b>Lift Station</b>				
Lift Station, complete	1	\$ 125,000.00	LS	\$ 125,000.00
Connection to existing Manhole	1	\$ 15,000.00	EA	\$ 15,000.00
6" Force Main, complete	3,479	\$ 20.00	LF	\$ 69,580.00
		<b>SUBTOTAL</b>		<b>\$ 974,918.00</b>
<b>Design / Permit Fees / Testing / CM</b>	15% of	\$ 974,918.00	LS	<b>\$ 146,237.70</b>
<b>TOTAL COST ESTIMATE</b>				<b>\$ 1,121,155.70</b>

**Water:**

Water Distribution System will be paid with Advances in Aid of Construction. - \$1,031,260.00

\$122,500.00 (35%) of Well Site will be paid with Contributions in Aid of Construction, the remaining \$227,500.00 (65%) will be funded with equity. Total - \$350,000.00

Design/Permit/Testing will be paid with Advances in Aid of Construction. - \$207,189.00

**Wastewater:**

Onsite sewer and Lift Station will be paid with Advances in Aid of Construction. - \$1,121,155.70

# Attachment 5

**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

To The Members of  
Johnson Utilities, L.L.C.  
Scottsdale, Arizona

We have compiled the accompanying balance sheet of Johnson Utilities, L.L.C. as of December 31, 2012 and the related statement of operations for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the operating agreement of the Company.

This report is intended solely for the information and use of the owners, management, and others within the Company and is not intended to be and should not be used by anyone other than these specified parties.

*Ullmann & Company*

Ullmann & Company, P.C.  
Certified Public Accountants

June 5, 2013

Johnson Utilities, L.L.C.  
Balance Sheet  
December 31, 2012

ASSETS

Utility Plant

Plant in Service	\$ 228,684,668
Less: Accumulated Depreciation	(45,999,061)
<u>Net Utility Plant in Service</u>	<u>\$ 182,685,607</u>

Plant Held for Future Use, Net	2,737,359
Construction Work in Progress	3,565,403
<u>Net Utility Plant</u>	<u>\$ 188,988,369</u>

Nonutility Property

Property	\$ 126,068
Less: Accumulated Depreciation	(11,152)
<u>Net Nonutility Property</u>	<u>\$ 114,916</u>

Current Assets

Cash	\$ 6,450,711
Accounts Receivable	2,676,763
Inventory	350,815
Other Receivables	20,353
Prepaid Expenses	31,919
<u>Total Current Assets</u>	<u>\$ 9,530,561</u>

Other Assets

Deferred Rate Case Fees	\$ 83,766
Deposits	96,025
<u>Total Other Assets</u>	<u>\$ 179,791</u>

<u>Total Assets</u>	<u>\$ 198,813,637</u>
---------------------	-----------------------

MEMBERS' CAPITAL & LIABILITIES

<u>Members' Capital</u>	<u>\$ 14,175,701</u>
-------------------------	----------------------

<u>Contributions in Aid of Construction</u>	<u>\$ 69,981,225</u>
---	----------------------

<u>Long-Term Debt</u>	<u>\$ 600,000</u>
-----------------------	-------------------

Current Liabilities

Accounts Payable	\$ 6,771,180
Customer Deposits	1,094,016
Advances in Aid of Construction, Current Portion	1,353,000
<u>Total Current Liabilities</u>	<u>\$ 9,218,196</u>

Deferred Liabilities

Advances in Aid of Construction	\$ 104,838,515
---------------------------------	----------------

<u>Total Members' Capital &amp; Liabilities</u>	<u>\$ 198,813,637</u>
---	-----------------------

See Independent Accountants' Compilation Report

Johnson Utilities, L.L.C.  
Statement of Operations  
December 31, 2012

Operating Revenue

Water Sales	\$ 10,176,205
Sewer Fees	13,864,527
Other Revenue	1,318,423
<u>Total Revenue</u>	<u>\$ 25,359,155</u>

Operating Expenses

Guaranteed Payments	\$ 864,000
Purchased Water	114,601
Purchased Power	1,633,036
Repairs & Maintenance	269,593
Outside Services	14,635,178
Water Testing	139,208
Rents	810,346
Transportation	7,342
Insurance	108,051
Sludge Removal	688,028
Wastewater Treatment	160,314
Water Treatment	30,046
Miscellaneous Operating Expense	524,922
Depreciation and Amortization	6,029,077
Taxes Other Than Income	188,575
Property Taxes	1,357,708
<u>Total Operating Expenses</u>	<u>\$ 27,560,025</u>

Net Operating Loss \$ (2,200,870)

Other Income (Expenses)

Interest Income	\$ 70,368
Non-Utility Expense	(16,803)
Interest Expense	(108,897)
<u>Total Other Income (Expenses)</u>	<u>\$ (55,332)</u>

Net Loss \$ (2,256,202)

See Independent Accountants' Compilation Report

A vertical dashed line consisting of 20 short, thick black horizontal bars spaced evenly along the left edge of the page.

# Attachment 6



## Construction Timeline

### Sherwood Park Master Planned Development:

The Sherwood Park subdivision is planned to be developed in a single phase with an anticipated start date of spring 2014. The first residential move-ins are anticipated to take place in fall 2015 and the project is expected to be completed after a 3-year building period.



# Attachment 7

May 30, 2013

Mr. Daniel Hodges  
Johnson Utilities, LLC  
5230 E. Shea Blvd, Suite 200  
Scottsdale, AZ 85254


RE: **Sherwood Park**  
**Request for Water and Sewer Service**

Dear Mr. Hodges:

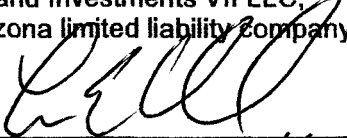
Sherwood Park is a proposed single-family residential community located one-quarter mile south of Bella Vista Road and one-quarter mile west of Sierra Vista Road in Pinal County, Arizona. A legal description of the property is attached to this letter. Sherwood Park will be comprised of approximately 444 single-family lots.

The property is currently owned by the D'Wayne Sherwood Profit Sharing Plan and is in escrow for purchase by LSH Land Investments VII LLC. At this time, we request that Johnson Utilities initiate all necessary processes and actions for the provision of potable water service and sanity sewer collection service for this property with the understanding that the terms of service will be conditioned upon execution of a master utilities agreement and line extension agreement.

Sincerely,

  
D'Wayne Sherwood, Trustee of the  
D'Wayne Sherwood Profit Sharing Plan

LSH Land Investments VII LLC,  
An Arizona limited liability company

By:   
Print Name: Leticia Kether  
Title: managing member

# Attachment 8

SEC. 22 TN.03S RG.08E

210-22

SEE MAP 210-15

E BELLA VISTA RD

AREA CODE  
0120

SPECIAL DISTRICTS  
12666  
16604

THIS MAP IS FOR TAX PURPOSES ONLY.

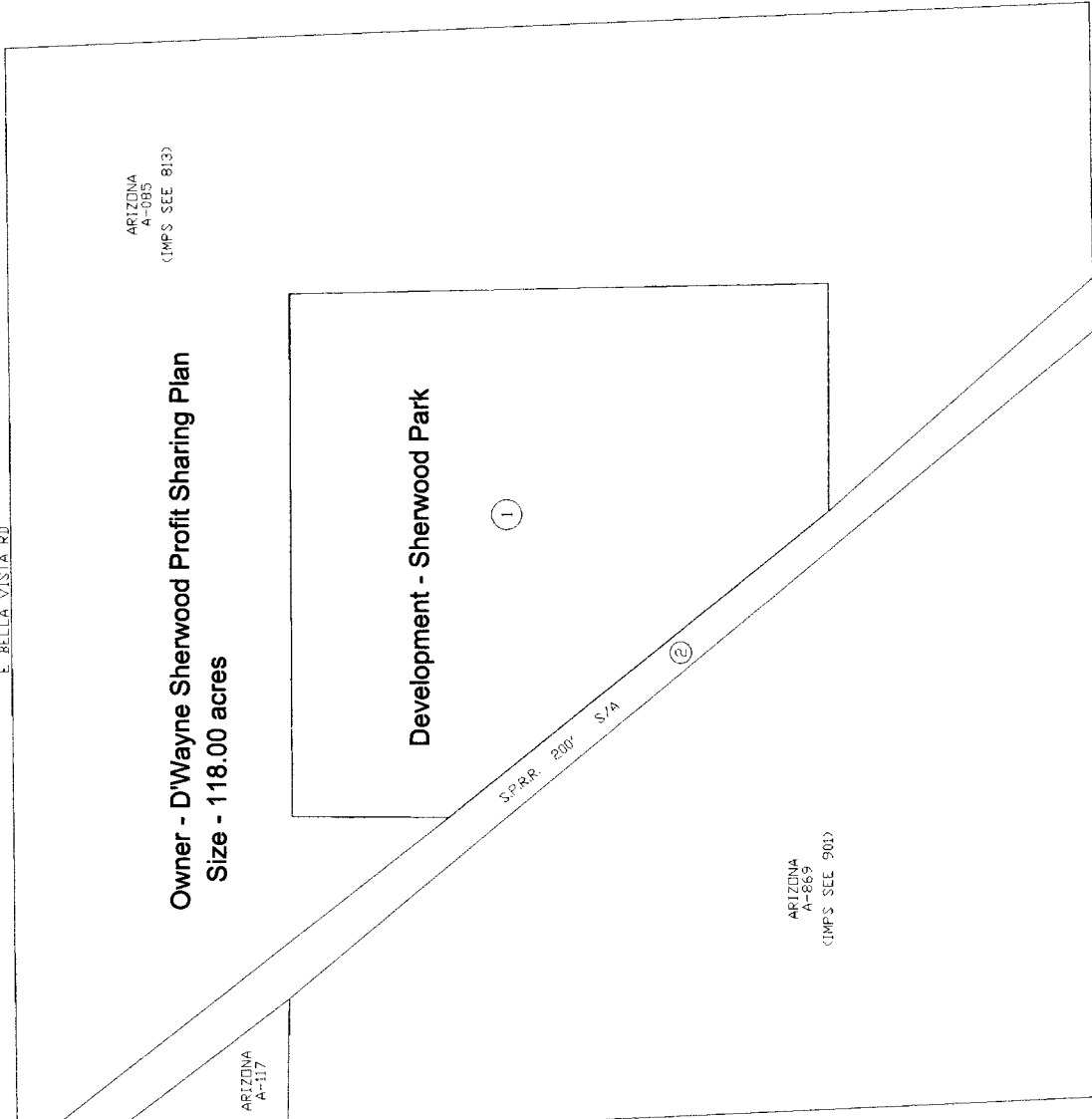
THIS OFFICE WILL NOT ASSUME LIABILITY FOR  
REPRESENTATION, MEASUREMENTS OR ACREAGE.

SEE MAP 210-21

SEE MAP 210-23

VICINITY MAP

6	5	4	3	2	1
	GANTZEL RD		SKOLINE DR		
7	8	9	10	11	12
					QUAIL RUN LN
18	17	16	15	14	13
		BELLA VISTA RD			
19	20	21	22	23	24
30	29	28	27	26	25
		LAKEVIEW HWY			
31	32	33	34	35	36
					ARIZONA FARMS RD



SCALE: 1" = 600'

02-24-2005

SEE MAP 210-25

PINAL COUNTY ASSESSORS MAP

## Parcel Search

[Start a New Search](#)
 **Search Results (57 Entries)**
open 
 **Parcel Details (210-22-0010)**
open 
 [Link to This Parcel](#)
 [Print View](#)
**Parcel Number 210-22-0010 shows the following information for Tax Year:** 2014  [Tax Year Chart](#)

<b>Parcel Number:</b> 210-22-0010 (Taxing Information)		<b>Primary Owner:</b> SHERWOOD D'WAYNE PROFIT SHARING PLAN	
<b>Section:</b> 22	<b>Township:</b> 03S	<b>Range:</b> 08E	<b>Name 2:</b>
<b>Atlas Number:</b> 029-22		<b>Map:</b> <a href="#">View Parcel Map</a>	<b>In C/O:</b>
<b>Property Description:</b> (What is this?)		<b>Tax Bill Mailing Address</b>	
SW NE NW SE SE NW & NE SW E OF RAILROAD SEC 22-3S-8E 118.00 AC		<b>Address:</b>	18521 E QUEEN CREEK RD STE 105-458
		<b>City:</b>	QUEEN CREEK
		<b>State:</b>	AZ
		<b>Zip Code:</b>	85142

<b>Date of Sale:</b>	1/2/2013	<b>Property Address (Location):</b>			
<b>Sale Amount:</b>	\$85,000.00				
<b>Document(s):</b>		<b>Subdivision:</b>			
<a href="#">2013-000008</a> <a href="#">2012-105526</a> <a href="#">2012-041170</a> <a href="#">2012-022773</a> <a href="#">2007-002183</a> <a href="#">2007-002182</a> <a href="#">2003-039595</a>		<b>Unit:</b>	<b>Block:</b>	<b>Lot:</b>	<b>Phase:</b>
		<b>Cabinet:</b>	<b>Slide:</b>		

<b>Imp:</b>	0.00	<b>Item:</b>	
<b>Const ear:</b>	0	<b>Grnd Flr Perim:</b>	0
<b>Stories:</b>		<b>Total Sq. Ft.:</b>	0

<b>Parcel Size:</b>	118.00
<b>Size Indicator:</b>	Acres
<b>Tax Area Code:</b>	0120 (Rates current as of 2012)
<b>Use Code:</b>	4110
<b>Land Legal Class:</b>	02RLA - Ag Land
<b>Impr. Legal Class:</b>	
<b>Full Cash Value (FCV):</b>	\$44,250.00

<b>Limited Value (LPV):</b>	\$44,250.00
<b>Real Property Ratio:</b>	
<b>Assessed FCV:</b>	\$7,080.00
<b>Assessed LPV:</b>	\$7,080.00

<b>Attached Personal Property:</b>	<a href="#">View Personal Property Attached To This Parcel</a>
------------------------------------	--

The data presented on this website is deemed reliable but not guaranteed. This information should be used for informational use only and does not constitute a legal document for the description of these properties. The Pinal County Assessor's Office disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data.

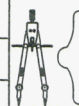
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# Attachment 9





SCALE



5230 E. SHEA BOULEVARD SUITE 220  
SCOTTSDALE, ARIZONA 85254  
Phone: (480) 598-8335  
FAX: (480) 598-8437





# Attachment 10

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**I. RATES AND CHARGES.**

In Decision No. 71854 dated August 24, 2010, the Arizona Corporation Commission approved new rates and charges as set forth in this tariff to be effective for all water service rendered by the Company in all water service areas for all classes of service on and after June 1, 2010.

**A. Monthly Water Usage Charge.**

Each customer shall pay a Monthly Water Usage Charge for each water meter of that customer based upon the meter size, as follows:

**Gallons Included in Monthly  
Water Usage Charge:**

0

**Meter Size**

**Monthly Water Usage Charge**

5/8" x 3/4" Meter	\$11.27
3/4" Meter	\$16.90
1" Meter	\$28.17
1-1/2" Meter	\$56.33
2" Meter	\$90.13
3" Meter	\$180.26
4" Meter	\$281.66
6" Meter	\$563.31
8" Meter	\$901.30
10" Meter	\$1,295.61

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Issued: July 16, 2013

Effective: July 16, 2013

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

---

**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**B. Commodity Rates.**

In addition to the payment of the Monthly Water Usage Charge, each customer shall pay a commodity rate for all gallons of water delivered by the Company during the billing cycle as measured at the customer's meter. There are no minimum gallons included in the Monthly Water Usage Charge. The Commodity Rate applies to all meter sizes and all classes of service, as follows:

**Gallons Included in Monthly Water  
Usage Charge:**

0

**Meter Size**

**Rate Per Thousand Gallons**

**5/8" x 3/4" Meter—Residential**

0 to 4,000 Gallons	\$1.7710
4,001 to 10,000 Gallons	\$2.1500
Over 10,000 Gallons	\$2.5060

**3/4" Meter—Residential**

0 to 4,000 Gallons	\$1.7710
4,001 to 10,000 Gallons	\$2.1500
Over 10,000 Gallons	\$2.5060

**3/4" Meter—Commercial, Industrial,  
Irrigation and Public Authority**

0 gallons to 10,000 gallons	\$2.1500
Over 10,000 gallons	\$2.5060

**1" Meter**

From 1 to 32,000 gallons	\$2.1500
Over 32,000 gallons	\$2.5060

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Issued: July 16, 2013

Effective: July 16, 2013

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

---

**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

<u>Meter Size</u>	<u>Rate Per Thousand Gallons</u>
<b>1-1/2" Meter</b>	
From 1 to 88,000 gallons	\$2.1500
Over 88,000 gallons	\$2.5060
<b>2" Meter</b>	
From 1 to 156,000 gallons	\$2.1500
Over 156,000 gallons	\$2.5060
<b>3" Meter</b>	
From 1 to 339,000 gallons	\$2.1500
Over 339,000 gallons	\$2.5060
<b>4" Meter</b>	
From 1 to 545,000 gallons	\$2.1500
Over 545,000 gallons	\$2.5060
<b>6" Meter</b>	
From 1 to 1,120,000 gallons	\$2.1500
Over 1,120,000 gallons	\$2.5060
<b>8" Meter</b>	
From 1 to 1,800,000 gallons	\$2.1500
Over 1,800,000 gallons	\$2.5060
<b>10" Meter</b>	
From 1 to 2,600,000 gallons	\$2.1500
Over 2,600,000 gallons	\$2.5060
<b>Construction Water</b>	\$2.5060 (a)
<b>Central Arizona Project Water</b>	See Tariff Section I(E) below

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Issued: July 16, 2013

Effective: July 16, 2013

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**I. RATES AND CHARGES.**

In Decision No. 71854 (August 25, 2010), as amended by Decision 72579 (September 15, 2011), the Commission approved new rates and charges as set forth in this tariff to be effective for all wastewater service rendered by the Company in all wastewater service areas for all classes of service on and after October 1, 2011.

**A. Monthly Wastewater Usage Charge.**

Each customer shall pay a Monthly Wastewater Usage Charge based upon the size of the customer's water meter, as follows:

<u>Meter Size</u>	<u>Monthly Wastewater Usage Charge</u>
5/8" Meter	\$38.19
3/4" Meter	\$42.00
1" Meter	\$53.46
1-1/2" Meter	\$68.73
2" Meter	\$110.74
3" Meter	\$420.04
4" Meter	\$801.89
6" Meter	\$1,107.37
8" Meter	\$1,527.60
10" Meter	\$2,195.93

Pursuant to Decision No. 64062 (October 4, 2001), the monthly billing for wastewater service at a new wastewater service location shall commence when wastewater first flows into the wastewater collection system.

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Issued: July 16, 2013

Effective: July 16, 2013

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

---

**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**B. Service Line Connection Charge.**

In addition to all other applicable rates and charges in this tariff, each customer requesting new wastewater service shall pay a Service Line Connection Charge in the amount of \$350.00.

The Company shall install and own the service line up to the customer's property line. The customer shall install and own the service line on the customer's side of the customer's property line. The customer shall maintain and operate the service line from the connection to the main line in the street or right-of-way to its interconnection with the customer's building or facility.

**C. Sale of Effluent.**

1. Rate Per 1,000 gallons: \$0.68.
2. Rate Per Acre-Foot: \$221.58.

**D. Additional Service Charges.**

In addition to all other applicable rates and charges in this tariff, each customer shall be subject to the following charges, as applicable:

Establishment	\$25.00
Establishment (After Hours)	\$40.00
Deposit (Residential)	(a)
Deposit (Non-Residential)	(a)
Deposit Interest, Per Annum	(b)
Re-establishment (Within 12 Months)	(c)
Re-establishment (After Hours)	(c)
NSF Check	\$15.00
Deferred Payment Interest, Per Month	1.50%
After-Hours Service, Per A.A.C. R14-2-603(D)	Refer to Above Charges
Late Charge, Per Month	1.50% (d)

**Notes to Additional Service Charges:**

- (a) Residential: two times the estimated average monthly bill.  
Non-Residential: two and one-half times the estimated maximum monthly bill.

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Issued: July 16, 2013

Effective: July 16, 2013

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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# Attachment 11





**OFFICIAL RECORDS OF  
PINAL COUNTY RECORDER**

KATHLEEN C. FELIX

DATE: 12/08/98 TIME: 1636  
FEE : 0.00  
PAGES: 6  
FEE NO: 1998-050223

**Expansion and Amendment Of The Johnson Utility Water and Sewer Franchise**

**WHEREAS**, Johnson Utilities L.L.C. had received a water and sewer franchise from Pinal County to establish and maintain water and sewer services on Johnson Utilities L.L.C., see document number 1995-033065 in the Office of the Pinal County Recorder (hereinafter "Original Franchise").

**WHEREAS**, Johnson Utilities L.L.C., a(n) Arizona corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Original Franchise for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

**WHEREAS**, upon filing of Johnson Utilities L.L.C.'s application for the Expansion, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 10:00 A.M. on November 4, 1998, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

**WHEREAS**, said application for the Expansion and Amendment having come on regularly for hearing at 11:30 A.M. on November 4, 1998; and it appearing from the affidavit of the publisher of the Casa Grande Valley Newspaper that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade-Tribune published on October 15, 1998, October 22, 1998, and October 29, 1998; and the matter being called for hearing at 11:30 A.M., and an opportunity having been given to all interested parties to be heard.

**WHEREAS**, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters,

Second Amended  
Johnson Utility Water and Sewer Franchise

NOW, THEREFORE,

#### **Section 1: DEFINITIONS**

The following terms used in this expansion and amendment of the Original Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Johnson Utilities L.L.C., a(n) Arizona corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

#### **Section 2: GRANT**

Grantor, on November 4, 1998, hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "Second Amended Franchise") for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Original Franchise (hereinafter "Franchise Area").

#### **Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE**

The Second Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Second Amended Franchise is accepted by County. This Second Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

#### **Section 4: LIMITS ON GRANTEE'S RECOURSE**

- A. Grantee by its acceptance of the Second Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Second Amended Franchise accepts the validity of the terms and conditions of the Second Amended Franchise in their entirety and agrees it

will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Second Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Second Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Second Amended Franchise not expressed therein. Grantee by its acceptance of the Second Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Second Amended Franchise.

C. Grantee by its acceptance of the Second Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Second Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Second Amended Franchise and the Original Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Second Amended Franchise shall be final.

#### **Section 5: SEVERABILITY**

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Second Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Second Amended Franchise, all of which will remain in full force and effect for the term of the Second Amended Franchise or any renewal or renewals thereof.

#### **Section 6: NOTICE**

Notices required under the Second Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors  
P.O. Box 827  
31 N. Pinal  
Florence, Arizona 85232


Grantee:

Johnson Utilities L.L.C.  
5320 E. Shea Blvd.  
Scottsdale, Arizona 85254

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on November 4, 1998.

PINAL COUNTY BOARD OF SUPERVISORS

  
*Sandie Smith*  
Sandie Smith, Chairman 11-4-98

ATTEST:

by: *Stanley D. Griffis*  
Stanley D. Griffis, Ph.D., Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON  
PINAL COUNTY ATTORNEY

*Eric L. Walberg*  
Eric L. Walberg, Deputy County Attorney

Exhibit A

JOHNSON UTILITIES  
FRANCHISE EXTENSION APPLICATION

All areas within the following described Sections not previously franchised to the Applicant:

Sections 35 and 36, all in Township 3 South Range 7 East

Sections 13 through 36, all in Township 3 South Range 8 East

Sections 16 through 21 and 28 through 33, all in Township 3 South Range 9 East

Sections 1 through 4, 10 through 14 and 23 through 26, all in Township 4 South Range 8 East

Sections 4 through 9, all in Township 4 South Range 9 East

Exhibit B

**SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE**

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., a(n) Arizona corporation, does hereby accept the \_\_\_\_\_ grant of an Second Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Second Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Second Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Second Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Second Amended Franchise recited to have been or to be made by Grantee.

attyciv\franchise\19981799 E&A Franchise Final



KATHLEEN C. FELIX

DATE: 12/08/98 TIME: 1636  
FEE : 0.00  
PAGES: 2  
FEE NO: 1998-050224

nail to:

ard of Supervisors

ia 85232

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(The above space reserved for recording information)

**CAPTION HEADING**

---

Acceptance of Expanded and Amended Franchise

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., a(n) Arizona corporation, does hereby accept the November 4, 1998 grant of an Second Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Second Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Second Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Second Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Second Amended Franchise recited to have been or to be made by Grantee.

Dated this 16 day of November, 1998.

Johnson Utilities L.L.C.

By: [Signature]

Title: Manager

STATE OF ARIZONA )  
 ) ss.  
County of )

The foregoing instrument was acknowledged before me this 16 day of November, 1998, by George H Johnson, Manager of Johnson Utilities, a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.

Christine M Dermody  
Notary Public

My Commission Expires:

June 9, 2002





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# Attachment 12

JAN 6 2009

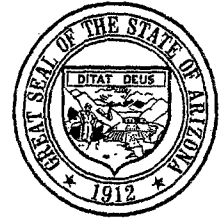
**ARIZONA DEPARTMENT OF WATER RESOURCES**

**Office of Assured and Adequate Water Supply**

3550 North Central Ave., 2<sup>nd</sup> Floor, Phoenix, AZ 85012

Telephone 602 771-8599

Fax 602 771-8689



**JANET NAPOLITANO**  
Governor

**HERB GUENTHER**  
Director

January 5, 2009

Brian Tompsett  
Johnson Utilities, LLC  
5230 E. Shea Blvd. Suite 200  
Scottsdale, AZ 85254

Re: Designation of Assured Water Supply (DWR No. 86-400665.0001) Johnson Utilities-Phx

Dear Mr. Tompsett:

I am pleased to inform you that the Department of Water Resources has approved the application for a Designation of Assured Water Supply for Johnson Utilities-Phoenix. We have enclosed the formal Decision and Order. The Decision and Order includes an itemization of Johnson Utilities-Phoenix's responsibilities in maintaining the Designation.

Johnson Utilities-Phoenix's status as a designated water provider demonstrates that Johnson is taking a long-term perspective in managing water resources. Johnson Utilities-Phoenix's commitment to sound water management represents a major contribution to the State's water management goal of achieving safe-yield in the Phoenix Active Management Area.

If you have any questions regarding these documents, please contact me at (602) 771-8504.

Sincerely,

John Schneeman, Manager  
Assured and Adequate Water Supply

JFS/rbo

cc: via electronic mail

Ms. Cindy Ferrin, Arizona Department of Real Estate  
Michael Pearce, Maguire & Pearce  
J. Scott Miller, Director, Phoenix AMA

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DEPARTMENT OF WATER RESOURCES

BEFORE THE DIRECTOR

IN THE MATTER OF THE APPLICATION OF JOHNSON  
UTILITIES, LLC FOR A DESIGNATION AS HAVING AN  
ASSURED WATER SUPPLY IN THE PHOENIX ACTIVE  
MANAGEMENT AREA

)  
) AWS No. 2009-001  
)  
) DECISION AND ORDER  
)  
) No. 86-400665.0001

I. INTRODUCTION

On July 9, 2007, the Department of Water Resources ("Department") received an application from Johnson Utilities, LLC dba Johnson Utilities Phoenix ("Johnson-Phoenix") requesting that the Department modify Johnson-Phoenix's designation of assured water supply pursuant to A.R.S. § 45-576 *et seq.* and A.A.C. R12-15-701 *et seq.* On December 27, 2007 and January 3, 2008, the Department gave public notice of the application pursuant to A.R.S. § 45-578 and no objections to the application were filed with the Department.

After receiving Johnson-Phoenix's application to modify its designation of assured water supply, the Department reviewed relevant information regarding the modification request, including: 1) hydrologic information on file with the Department; 2) information regarding consistency with the management plan and the management goal of the Phoenix Active Management Area ("AMA"); and 3) information regarding Johnson-Phoenix's financial capability to construct the necessary delivery system, treatment works and storage facilities. Based on that information, the Department makes the following Findings of Fact, Conclusions of Law and Order of Designation and Conditions of Designation:

II. FINDINGS OF FACT

A. General

1. Johnson-Phoenix is a private water company subject to the jurisdiction of the Arizona Corporation Commission ("ACC").

1 2. Johnson-Phoenix provides domestic water service within the boundaries of its certificate of  
2 convenience and necessity ("CC&N"), as approved by the ACC.

3 3. Johnson-Phoenix currently serves water through its municipal distribution system to its  
4 customers within the Phoenix AMA.

5 4. On August 12, 2003, Johnson-Phoenix was designated as having an assured water supply in  
6 Decision and Order AWS 2003-004, No. 26-40665.0000.

7 **B. Water Demands**

8 5. Johnson-Phoenix's current demand as of calendar year 2007 is 7,817 acre-feet per year  
9 ("current demand").

10 6. Johnson-Phoenix's committed demand as of calendar year 2007 is 2,945 acre-feet per year  
11 ("committed demand").

12 7. Johnson-Phoenix's projected demand in 2028 is 7,392 acre-feet per year ("2028 projected  
13 demand"). The 2028 projected demand does not include the current demand or the committed  
14 demand, but does include the demand at build-out of plats reasonably projected to be approved  
15 through calendar year 2028.

16 8. Johnson-Phoenix's annual estimated water demand in 2028, which is the sum of its current  
17 demand, committed demand and 2028 projected demand, is 18,154 acre-feet per year ("2028  
18 annual estimated water demand").

19 **C. Groundwater: Physical, Continuous and Legal Availability and Consistency with the**  
20 **Management Goal**

21 9. Johnson-Phoenix has the right to withdraw and deliver groundwater to its customers pursuant to  
22 service area right No. 56-002346.0000.

23 10. Historic hydrologic information demonstrates that depth-to-static water levels within the  
24 Johnson-Phoenix service area currently range from approximately 300 feet to 700 feet below  
25 land surface.

26 11. Johnson-Phoenix has demonstrated that after withdrawing 18,154 acre-feet per year of  
groundwater for 100 years, the depth-to-static water level within Johnson-Phoenix's service  
area is not expected to exceed 1,000 feet below land surface.

- 1 12. As of the date of this Decision and Order, Johnson-Phoenix's current groundwater allowance is  
2 0.00 acre-feet per year, pursuant to A.A.C. R12-15-724(A)(2).
- 3 13. Pursuant to A.A.C. R12-15-724(A)(4), the Director shall add a volume for incidental recharge to  
4 Johnson-Phoenix's groundwater allowance for each calendar year, based on its total water use  
5 from any source in the previous calendar year.
- 6 14. Johnson-Phoenix is a member service area of the Central Arizona Groundwater Replenishment  
7 District ("CAGRD"). The August 27, 2007 Member Service Area Agreement between Johnson-  
8 Phoenix and the CAGRD ("Agreement") provides that the amount of Excess Groundwater, as  
9 defined in the Agreement, delivered by Johnson-Phoenix shall not exceed 18,154 acre-feet per  
10 year.
- 11 15. The Director has made a determination, which has not expired, that the most recent CAGRD  
12 Plan of Operation is consistent with achieving the management goal of the Phoenix AMA.
- 13 16. As of the date of this decision and order, the CAGRD is in compliance with its groundwater  
14 replenishment obligation for the Phoenix AMA.
- 15 17. Johnson-Phoenix has demonstrated that it has constructed wells of sufficient capacity to satisfy  
16 a portion of its 2028 annual estimated groundwater demand of 18,154 acre-feet per year for at  
17 least 100 years.
- 18 18. Pursuant to R12-15-717(B), Johnson-Phoenix has demonstrated that it will construct additional  
19 wells of sufficient capacity to meet the remainder of its 2028 annual estimated groundwater  
20 demand of 18,154 acre-feet per year for at least 100 years.

21 **D. Consistency with the Management Plan**

- 22 19. Johnson-Phoenix is currently regulated as a large municipal provider under the Municipal  
23 Conservation Program in the Third Management Plan for the Phoenix AMA ("Management  
24 Plan"). As of the date the application was filed, Johnson-Phoenix has not been found to be out  
25 of compliance with the Management Plan.  
26

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1                                    **IV. ORDER OF DESIGNATION AND CONDITIONS OF DESIGNATION**

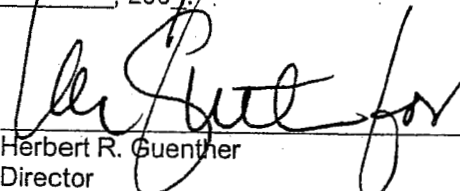
2                    Having reviewed the Findings of Fact and Conclusions of Law, the Department hereby issues  
3 this Decision and Order designating Johnson-Phoenix as having an assured water supply, subject to  
4 the following conditions:

- 5            1.        The Director reserves the right under A.A.C. R12-15-711(C) to periodically review and modify  
6                    the designation for good cause as conditions warrant.
- 7            2.        Pursuant to A.A.C. R12-15-711(F), the Director may, at any time revoke this designation if the  
8                    findings of fact or the conclusions of law upon which the designation is based change or are  
9                    invalid, or if an assured water supply no longer exists.
- 10          3.        The Director's determination that an assured water supply exists for Johnson-Phoenix is based  
11                    on its analysis of the water supplies pledged by Johnson-Phoenix.
- 12          4.        Johnson-Phoenix shall submit an application to modify this decision and order designating  
13                    Johnson-Phoenix as having an assured water supply to increase the term of the designation  
14                    when the sum of Johnson-Phoenix's current demand, committed demand and two year  
15                    projected demand exceeds 18,154 acre-feet per year, or by December 31, 2026, whichever is  
16                    earlier.
- 17          5.        Pursuant to A.A.C. R12-15-719, Johnson-Phoenix shall satisfy any state water quality  
18                    requirements established for its proposed use after the date of this designation.
- 19          6.        Johnson-Phoenix shall annually provide to the Department the following information for the  
20                    previous calendar year in the manner prescribed in A.A.C. R12-15-711(A):
- 21                    a.        An estimate of the demand of platted, undeveloped lots located in Johnson-  
22                    Phoenix's service area.
- 23                    b.        The projected demand at build-out for customers with which Johnson-Phoenix  
24                    has entered into a notice of intent to serve agreement in the previous calendar  
25                    year.
- 26                    c.        A report regarding Johnson-Phoenix's compliance with water quality  
                         requirements.

- 1 d. The depth-to-static water level of all wells from which Johnson-Phoenix  
2 withdrew water during the previous calendar year.
- 3 e. Any other information requested by the Director to determine whether Johnson-  
4 Phoenix continues to meet all the requirements necessary to maintain this  
5 designation of assured water supply.

6 **IT IS HEREBY ORDERED THAT JOHNSON-PHOENIX BE DESIGNATED AS HAVING AN**  
7 **ASSURED WATER SUPPLY UNTIL DECEMBER 31, 2028.**

8 DATED this 2<sup>nd</sup> day of January, 2009.

9  
10   
11 Herbert R. Guenther  
12 Director

13 Arizona Department of Water Resources

14 A copy of the foregoing  
15 **Decision and Order** mailed  
16 by certified mail this 2<sup>nd</sup> day  
17 of January, 2009 to:

18 Johnson Utilities Company  
19 5230 E. Shea Blvd.  
20 Suite 200  
21 Scottsdale, AZ 85254

Certified Mail No.: 7006 2760 0002 4885 1909

Sent by:

Naimey Coupaud

22 A copy of the foregoing sent by  
23 electronic mail this 2<sup>nd</sup> day  
24 of January, 2009 to:

25 Michael J. Pearce  
26 Maguire & Pearce  
2999 N. 44<sup>th</sup> Street  
Suite 630  
Phoenix, AZ 85018

Cindy Ferrin  
Arizona Department of Real Estate  
2910 N. 44th Street  
Phoenix, AZ 85018

Cliff Neal  
Central Arizona Groundwater  
Replenishment District  
P.O. Box 43020  
Phoenix, AZ 85080

J. Scott Miller, Area Director  
Phoenix Active Management Area



Attachment A  
Johnson Utilities-Phoenix Modification of Designation Application  
Water Source and Supply Summary  
File No. 86-400665.0001

Water Source and Supply Summary File No. 86-400665.0001						
Source	Approved (af/yr)	Capacity	Legal Authority	Comments		
Groundwater:						
Groundwater replenished by CAGRD	18,154.00	Available well capacity = 12,193.70 af/yr	Service Area Right #56-002346.0000	Member service area See finding #13		
Groundwater Allowance	0					
total	18,154.00	Incidental recharge credit of 4% annually.				
CAL PHYSICALLY AVAILABLE	18,154.00					
REJECTED DEMAND	18,154.00 (2028)					



# Attachment 13

**Estimated Property Tax in year 5**

Water	\$ 9,332.00
Sewer	\$ 10,791.64

A vertical dashed line runs down the left side of the page, consisting of a series of short, thick black horizontal bars.

# Attachment 14

The estimated numbers or customers to be served in each of the first five years of water utility service to the area covered by this Application are as follows:

	<u>Residential:</u>	<u>Commercial:</u>	<u>Industrial:</u>	<u>Irrigation:</u>
1st Year	0	0	0	0
2nd Year	52	0	0	5
3rd Year	208	0	0	5
4th Year	364	0	0	5
5th Year	444	0	0	5

The projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

	<u>Residential:</u>	<u>Commercial:</u>	<u>Industrial:</u>	<u>Irrigation:</u>
in Gallons				
1st Year	0	0	0	0
2nd Year	2,467,400	0	0	7,016,550
3rd Year	12,337,000	0	0	7,016,550
4th Year	27,141,400	0	0	7,016,550
5th Year	38,339,600	0	0	7,016,550

# Attachment 15

Applicant's estimated annual operating revenue and operating expenses for each of the first five years of operation in the new area covered by this Application are as follows:

### Water

#### Operating Revenue

	<u>Residential:</u>	<u>Commercial:</u>	<u>Industrial:</u>	<u>Irrigation:</u>
1st Year	\$0.00	\$0.00	\$0.00	\$0.00
2nd Year	\$10,103.47	\$0.00	\$0.00	\$19,083.59
3rd Year	\$50,517.35	\$0.00	\$0.00	\$19,083.59
4th Year	\$111,138.17	\$0.00	\$0.00	\$19,083.59
5th Year	\$156,992.38	\$0.00	\$0.00	\$19,083.59

#### Operating Expenses

	<u>Residential:</u>	<u>Commercial:</u>	<u>Industrial:</u>	<u>Irrigation:</u>
1st Year	\$0.00	\$0.00	\$0.00	\$0.00
2nd Year	\$8,082.78	\$0.00	\$0.00	\$15,266.88
3rd Year	\$40,413.88	\$0.00	\$0.00	\$15,266.88
4th Year	\$88,910.54	\$0.00	\$0.00	\$15,266.88
5th Year	\$125,593.90	\$0.00	\$0.00	\$15,266.88

### Wastewater

#### Operating Revenue

	<u>Residential:</u>	<u>Commercial:</u>	<u>Industrial:</u>	<u>Irrigation:</u>
1st Year	\$0.00	\$0.00	\$0.00	\$0.00
2nd Year	\$13,104.00	\$0.00	\$0.00	\$0.00
3rd Year	\$65,520.00	\$0.00	\$0.00	\$0.00
4th Year	\$144,144.00	\$0.00	\$0.00	\$0.00
5th Year	\$203,616.00	\$0.00	\$0.00	\$0.00

#### Operating Expenses

	<u>Residential:</u>	<u>Commercial:</u>	<u>Industrial:</u>	<u>Irrigation:</u>
1st Year	\$0.00	\$0.00	\$0.00	\$0.00
2nd Year	\$10,483.20	\$0.00	\$0.00	\$0.00
3rd Year	\$52,416.00	\$0.00	\$0.00	\$0.00
4th Year	\$115,315.20	\$0.00	\$0.00	\$0.00
5th Year	\$162,892.80	\$0.00	\$0.00	\$0.00

# COUNTY: Pinal

## RANGE 8 East

## TOWNSHIP 3 South

